

DEMOGRAPHY AND ECONOMIC CORRELATES: OLD AGE PERSPECTIVE

Dr. Bathula Srinivasu

Assistant Professor, Department of Economics, Jamia Millia Islamia, New Delhi-110025

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ABSTRACT

Globally, the percentage share of old age people have considerably increased which is attributed to improved living conditions and advancement of medical and health facilities. Various countries have been addressing the old age issues carefully and trying to understand the economic needs of old age population. It is very pertinent to discuss and understand the issues of old age in this present globalised era. As per India Ageing Report 2017, the share of old age population in India is likely to increase from 8% in 2015 to 19% in 2050. In this context, the present paper makes an attempt to analyse the demographical distribution of old age people and their economic issues in Indian context. Further, the study also tries to analyse various states old age population shares, the life expectancy and different schemes for old age to address their issues.

Keywords: Old Age, Demography, Ageing, Economic Issues, Life Expectancy

Introduction

Populations across most parts of the world are ageing with almost every country experiencing an increase in number and proportion of old age people as part of their population. It is important to address the issues and challenges of old age people as they are growing largely in number. Various countries have different definitions of old age and have divergent challenges to handle the old age people concerns. The emerging economies and developed economies have different perspectives to address old age issues and concerns. One needs to understand the dynamics of the issue and address for the sustenance. Conventionally, a person nearing the age of life expectancy rates of the respective region is considered to be old. In many parts of the world, people are considered old due to attitudinal changes and changes in the level of their activities. In USA and Europe people are considered old when they attain the age of 65. The UN defines old age usually when one attains the age 65 years. This being the first attempt to define such phenomenon internationally as earlier different nations had different bars on defining the old age.

Generally Old age comprises of ages approximating the average life expectancy of humans in the region. The bounds of old age cannot be defined precisely as it carries different definitions /meanings in different society. Government of India in its 'National Policy on Older Persons' in January, 1999 defines "senior citizen or elderly as a person who is of age 60 years or above". Similarly, the Maintenance and Welfare of Parents and Senior Citizens (MWPSA) Act also defines "senior citizens as any person who is a citizen of India and has attained the age of 60 years and above". The present paper makes an attempt to identify the economic implications of old age people and their concerns more particularly in Indian context.

Many studies have been undertaken to study the economic and socio-cultural issues of old age people such as Raut (1996) shows that parents have long intervals in child bearing "when they have a sufficient stock of wealth to support themselves during old-age". Jellal and Wolff (2002) show the existing precautionary motive for having children under uncertainty. Leibenstein (1957) in his old-age security hypothesis says that "in a setting where parents face uncertainty about their ability to support themselves during old age, they rear children in the expectation of receiving assistance from their children in their later lives". Rolden et al (2014) show that among developed nations, "mortality rates increase during upward cycles in the economy, and decrease during downward cycle". Also "lower levels of social support and informal care by the working population during good economic times" affects significantly. Gerland (2013) shows that per capita GDP, level of education and urbanisation explains much of the variations in life expectancy and cause-specific mortality. It indicates crucial contributions of basic socio-economic and development indicators to the gradual decline in mortality. Trivedi (1997) while analysing the social security programmes of old age, analyses that "sufficient efficiency and competition is generally missing" in running of "publicly managed pension programmes". Another study by Song (2017) suggests that the "interplay of gendered family dynamics and migration processes affects the health outcomes of older adults". Kamath et al (2009) performed a cross-sectional study of health-related and social problems of elderly in Udupi Taluk, Karnataka. It suggests the need of 'geriatric counselling centres' which can cater to physical and psychological requirements of old age. "The stringent rules for eligibility to social security schemes should

be made more flexible” to increase coverage. Mohyuddin(2015) in a qualitative anthropological research studied old age issues related to economic contentment, health insurance, unawareness, economic support and desire, decision making and planning for retirement. The study suggests that there had been a major negative impact on old age people with recent modernisation but recorded an overall satisfaction owing to decreased dependency on offspring. Kim et al (2017) performed a co-relational study between economic activity and subjective health of elderly. It suggests that engagement in economic activity has a positively more significant impact on subjective health of elderly male in comparison with elderly female. Bloom et al (2008) in working paper for World bank studies the impact of changing demographics of old age on economic growth in the reference period 2000 to 2050 across both developed and underdeveloped countries. The study is more of a projection taking account of various socio-economic and demographic factors which could come into play.

Changing Demographics of Old Age and Its Implications

The number of old age people has been mounting faster than ever before. India is having the second largest old age population after China. As per the Census 2011, an approximate 104 million of old age people lives in India with 53 and 51 million male and female population respectively. As per India Ageing Report 2017, the share of old age population is likely to increase from 8% in 2015 to 19% in 2050.

As per 1991 Census, the male elderly population exceeded that of female, whereas in last two decades, the trend has been upturned with elderly female outnumbering the elderly male. This had been an important concern for policy makers as old age women are considered to be relatively more vulnerable when compared to old age men. Around 73 million people comprising a total of 71% elderly resides in rural areas. With increased life expectancy, the share of elderly people in the total population is projected to grow from 8.3% in 2011 to 12.4% in 2026. Since 1961, the proportion of old age people in the population of India had been on an increasing trend. In 1961, the population percentage lying in the age group of 60 years or more was 5.6%, which had risen to 8.6 per cent in year 2011. A similar trend has been observed in rural as well as urban areas with increase of 5.8% to 8.8% and 4.7% to 8.1% in rural and urban areas respectively during the period 1961 to 2011. The above data shows a narrowing difference in percentage share of elderly population between rural and urban areas (See Table-1).

Table 1- Old Age Population Demographics

Year	Percentage of Old Age Population	Old Age Population in Rural Areas (in millions)	Old Age Population in Urban Areas (in millions)
1961	5.6	21.0	3.7
2001	7.4	57.4	19.2
2011	8.6	73.3	30.6

Source: Computed from Population Census Data

While examining State-wise population distribution in 2011, Kerala had the largest proportion of old age population (12.3%) which is followed by Tamil Nadu (11.2%), Himachal Pradesh (10.3%) and Punjab (9.7%). However, the least population of the elderly was seen in the states of Delhi and Assam which is 6.5% for both (Table 2).

Table 2- Population Distribution of the Elderly, 2011

	States with Largest Populations			States with Lowest Populations		
States	Kerala	Tamil Nadu	Himachal Pradesh	Punjab	Delhi	Assam
Percentage	12.3	11.2	10.3	9.7	6.5	6.5

Source- Computed from India Ageing Report- 2017

A glance at longevity index shows that Kerala had the highest life expectancy at birth (71.8 and 77.8 years for male and female respectively) followed by Maharashtra and Punjab as per the SRS Report 2009-13¹. From Table 3 we observe that, for life expectancy at 60 years for males, Jammu and Kashmir has the highest life expectancy (19.8 years) followed by Delhi (19.6 years) and Punjab (19.3 years), with Assam (15.5 years), Madhya Pradesh (15.4 years) and Chhattisgarh (14.3 years) at the bottom. For females, however, the life expectancy at age of 60 years is highest in Jammu and Kashmir (23.1) and is lowest in Chhattisgarh (17.0 years).

¹SRS Statistical Report 2013, ‘Office of the Registrar General & Census Commissioner’, Ministry of Home Affairs, India.

Table 3- Gender-wise Life Expectancy at Age 60, 2010-2014

	States	Male		States	Female
Top States(Male)	Jammu & Kashmir	19.8	Top States (Female)	Jammu & Kashmir	23.1
	Delhi	19.6		Uttarakhand	22.3
	Punjab	19.3		Kerala	21.8
Bottom States (Male)	Assam	15.5	Bottom States (Female)	Assam	17.6
	Madhya Pradesh	15.4		Jharkhand	17.1
	Chhattisgarh	14.3		Chhattisgarh	17.0

Source- Computed from India Ageing Report 2017

There has been increasing trend of Old Age Dependency ratio as it grew from 10.9 percent to 14.2 percent in 50 years between 1961 and 2011. Also, the gap between old-age dependency ratio of female and male had widened, standing at 14.9 percent and 13.6 percent for male and female respectively. There has been considerable gap between rural and urban ratios in all periods which may be explained by relatively high concentration of working population in urban areas, standing at 15.1 per cent and 12.4 per cent for rural and urban areas respectively.

The overall old-age dependency ratio varied significantly across states. It varied from a low 10.4% dependency ratio in Delhi to a high 19.6% dependency in Kerala. The old age dependency ratio had been increasing across all states with Kerala, Andhra Pradesh and Karnataka recording the highest increase since 2001. Among economically dependent elderly men, an approximate 7 per cent are financially dependent on spouses, 87 per cent are supported by their children (including 2 per cent supported by grandchildren) and 6 per cent dependent on others. However there were small differences observed in dependency ratios between elderly women of rural and urban areas. In a rural-urban comparison, the rural elderly were 78% per cent financially dependent on their offspring, 16% per cent dependent on their spouses and remaining 6% supported by others, whereas in urban areas a relatively high percentage of elderly were depending on their spouses (19 percent), with 74 percent supported by their offspring and 7 percent on others.

According to Census 2011, in rural areas, 66 percent of old age men and 28 percent of old age women were part of economic activity as either main or marginal workers. However the figures for participation in economic activities in urban areas were quite low, with 46 and 11 per cent of old age men and women found to be economically active. There had been some increase in the participation for women since 2001 across both rural and urban areas. It can be said that the old age population is certainly at an increasing rate and this is mostly because of increase in health and medical facilities. Also, the old age population can be seen more in rural than urban areas. Further, female population is higher as compared to the male population. Economic Independence is very crucial factor for the sustenance of old age people, irrespective of gender.

Programmes / Schemes for Old Age

There are various schemes operating under the Government of India aimed at offering support and care to old age. Some of these major schemes include (i) *Indira Gandhi National Old Age Pension Scheme, 1995, (IGNOAPS)*, (ii) *Integrated Programme for Older Persons, 1992, (IPOP)*, (iii) *National Programme for Health Care of the Elderly, 2007, (NPHCE)*, (iv) *Rashtriya Vayoshri Yojana, 2016, (RVY)*; (v) *Pradhan Mantri Vaya Vandana Yojana, 2017, (PMVVY)*.

Under IGNOAPS, the centre provides a financial assistance in form of social pension to the old people of ₹ 200 and ₹ 500 per month. A total of ₹ 5901 crore has been released in the year 2016 -17. In IPOP, the government provides basic facilities like food items, shelter, and healthcare. It also provides entertainment and recreational opportunities which encourages active and productive ageing. The implementing agencies include non-governmental organisations and Local Bodies Institutions. A total sum of ₹ 36.99 crore was given to around 400 old age homes covering almost 40,200 beneficiaries. Under NPHCE, "the basic aim is to provide dedicated health care facilities to the elderly people through State Public Health Delivery system at primary, secondary and tertiary levels, including outreach services"². Under RVY, aids and assistive living devices are provided to old age people belonging to BPL category who suffer from old-age related disabilities such as hearing disabilities, loco-motor disabilities, impaired vision and others. This scheme is implemented by Artificial Limbs Manufacturing Corporation of India (ALIMCO). The estimate outlay of this scheme is ₹ 483.6 crore and will be serving 5, 20,000 beneficiaries up to 2019-20. Till date, the scheme has

² NPHCE, Department of Health & Family Welfare, MOHFW, 2010

benefitted over 38,000 beneficiaries against the target of 5,20,000 by 2019-20. PMVY is implemented by the LIC of India and it addresses social security measures for the elderly. It requires the beneficiary to pay an initial lump sum amount ranging from ₹ 1,50,000 to ₹7,50,000 and the subscriber will get assured pension of ₹1,000 to ₹ 5,000 per month. As on 30th November 2017, a total number of 1,83,842 persons were benefited from this scheme.

Some Observations from the above discussion

There is a gulf between the number of targeted and existing population under NOAPS. The existing old age population is around 7.2 crore but only 53.35 lakh have been covered so far. This gap can be largely attributed to unawareness on the part of old age people. The potential beneficiaries are not aware about the eligibility criteria, documentation process, concerned authorities to which the documents are to be submitted etc. Also, many schemes with benefits such as Old Age Homes, Day Care Centre, Mobile Medicare Units for the aged have been only partially implemented. In the present Globalisation Era, a major occupational shift was observed for the old age people. The social security of the old age people had come down substantially as an outcome of migration, occupational changes and deteriorating living conditions. Also, emergence of the nuclear families has played a major role in the increased insecurity of the old age people.

Ageing impedes the migration process, as the need to migrate are usually less at later stages of life. However, the migration among the young adults for various purposes is always on a rise and this usually has series of consequences for the old age people, with regard to financial and health risks. This results in larger concentration of old age people in the rural areas leaving them relatively more vulnerable as compared to their urban counterpart.

The growth in old age population is mainly attributed to the increased life expectancy. Economic well-being, advance developments in modern healthcare technologies along with successful reduction and control of communicable diseases had largely contributed to improved life expectancies across the country.

An ageing population has extensive socio-economic implication for any nation. The rising population share of old age people has a burdening pressure on healthcare resources of a nation. Old age accompanies various ailments and diseases. A higher life expectancy contributes to burden of non-communicable diseases. For a larger chunk of old age population a nation requires larger healthcare resources with more numbers of doctors and nurses and wider network of hospitals and other health infrastructure.

There has been a substantial decrease in different pension schemes in states of Uttar Pradesh, Punjab and others. This has also been reflected in the Mercer Global Pension Index 2015, where India's index score fell down by 3 points, from 43.5 to 40.3 in 2015, indicating its deteriorating social security. The study suggests that Indian score can be improved by providing coverage to informal and unorganised sector and introducing a basic pension support meant for below poverty line old age individuals only.

Conclusions and Suggestions

The longevity of life, if not planned well for retirement, could imply a high fiscal burden on the state. In the absence of proper insurance along with inefficient public healthcare system, the government is further burdened with increased spending on healthcare provisioning. In spite of the measures taken by the government, the old age people still lack the social and economic security needed in old age. There are studies reporting financial deprivation and abandonment among elderly in large numbers. To overcome these issues, exclusive hospitals are needed to be opened catering only to the healthcare needs of the elderly. This will ensure optimum healthcare services for the old age people. Also, the state should play a more pro-active role in setting up of old age homes with the help of various NGOs. This can ensure good care for the elderly who are no longer living along with their families or cannot take care of themselves on their own. The government policies need to be implemented effectively and in a way that it ensures its optimum service. Also, more number of targeted schemes are needed keeping in view the intensity of the issue. The civil society needs to play a centric role on the work related to the old age and its problems. It is high time when it is needed to instil awareness among the younger generations, the responsibilities they have to fulfil towards their ageing parents. Various NGOs, academicians, intellectuals and other members of civil society need to be included in the policy making process. A renewed focus must be given on research, addressing the problems related to old age and its different perspectives.

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